



2176
#7

PATENT
85CF-00125

IN THE UNITED STATES PATENT AND TRADEMARK OFFICE

Applicant: Kubick et al.

Serial No.: 09/681,392

Filed: March 28, 2001

For: SYSTEMS AND METHODS
FOR CONDUCTING DUE
DILIGENCE

:
: Art Unit: 2176
:
: Examiner:
:
:
:
:
:
:

CERTIFICATE OF MAILING

I certify that this correspondence is being deposited with the United States Postal Service as first class mail in an envelope addressed to: Box PGPUB DRAWINGS, Assistant Commissioner for Patents, Washington, D.C. 20231, on September 24, 2001.


John S. Beulick, Reg. No. 33,338

Box PGPUB DRAWINGS
Assistant Commissioner for Patents
Washington, D.C. 20231

RECEIVED


OCT 01 2001

TRANSMITTAL OF FORMAL DRAWINGS

Technology Center 2100

Enclosed are seven (7) sheets of formal drawings for the above-identified patent application.

Respectfully submitted,


John S. Beulick, Reg. No. 33,338
Armstrong Teasdale LLP
One Metropolitan Square, Suite 2600
St. Louis, Missouri 63102-2740
314-621-5070

1/7

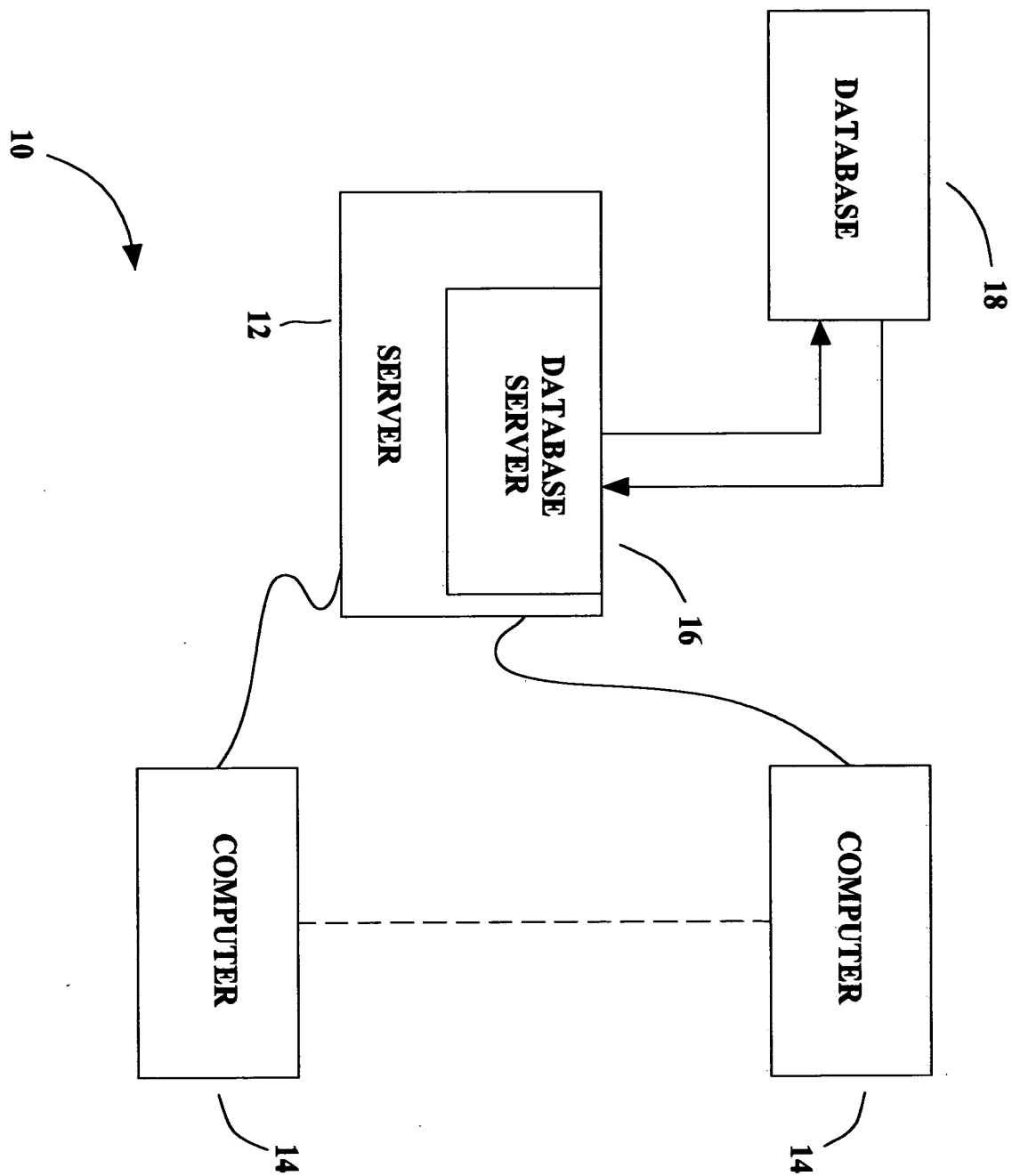


FIG. 1

2/7

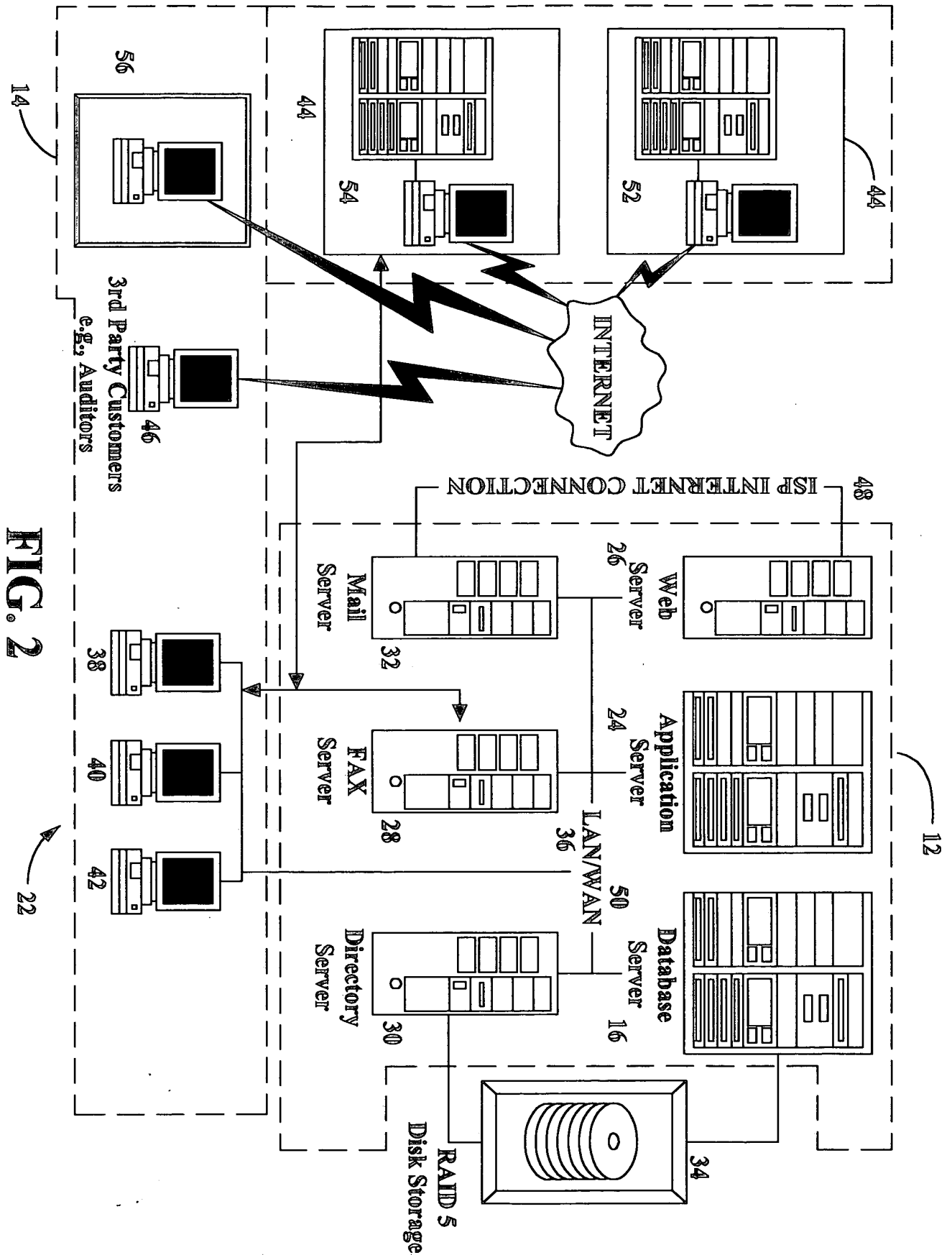


FIG. 2

3/7

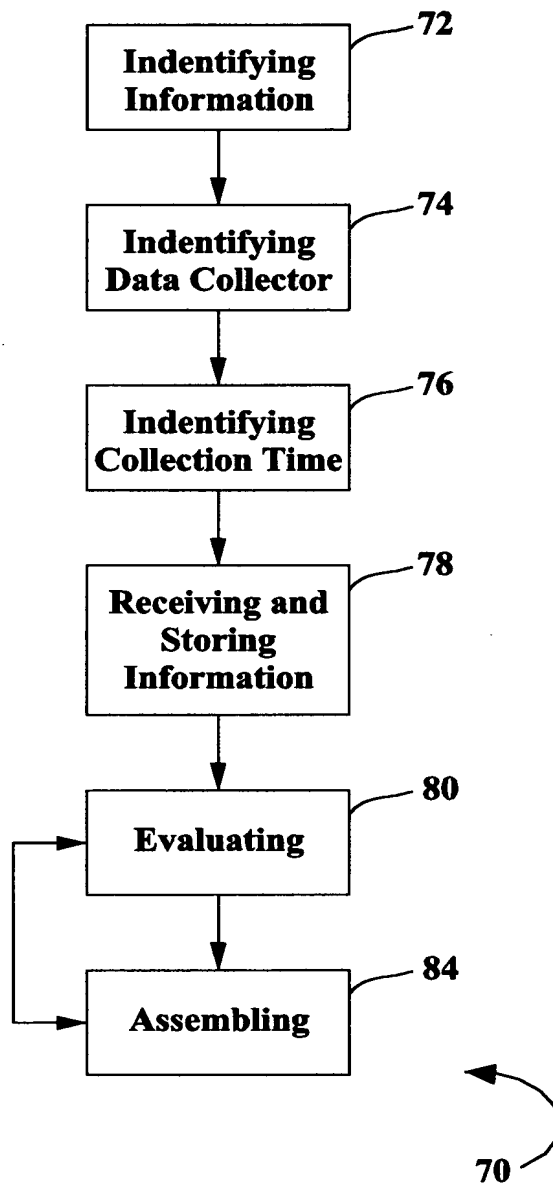


FIG. 3

4/7

100

Pre-Proposal Information Request List

Financial

- _____ 3 - 5 years (minimum of 5 years and through last recession if cyclical business and cash flow deals) historical audited financials (include annual reports if applicable)
- _____ Historical monthly financials including income statements, balance sheets, and cash flow statements for last fiscal year and through year to date (only require interim financials and comparables for cash flow transactions unless business is seasonal)
- _____ Projected monthly (not needed for cash flow transactions unless business is seasonal) and annual financials including income statements, balance sheets, and cash flow statements for the term of the contemplated facility

Collateral Information

- _____ Current Borrowing Base Certificate if available
- _____ Any other collateral monitoring reports company provides current lender

Accounts Receivable

- _____ Most recent A/R aging
- _____ Top ten largest customers by sales volume for last 12 months

Inventory

- _____ Inventory perpetual by location and inventory class (i.e., Raw Materials, WIP, and Finished Goods) as of most recent month end
- _____ Type and amount of inventory reserves on books

Fixed Assets

- _____ Detailed listing of fixed assets including age and original cost vs, depreciation amount (break out of Real Estate vs. Machinery and Equipment)
- _____ Recent appraisals if available
- _____ Environmental reports if available (Phase I and II)

Other

- _____ Company history/narrative
- _____ Industry overview/competitive environment
- _____ Market share and rank
- _____ Corporate structure
- _____ Sources and uses of funds at close
- _____ List of competitors
- _____ Tax liabilities
- _____ Accounts payable aging

Note: *Less Detail On Collateral Required For Cash Flow Deals.*

FIG. 4

5/7

110

Credit File
Table of Contents

File folder:		Provider	Received	
Credit	Legal		Yes	N/A
✓		1 Most recent A/R aging	0	
✓		2 Top ten largest customers by sales volume for last 12 months	0	
✓		3 3 - 5 years of historical bad debt write-offs	0	
✓		4 Dilution for Last 5 years	0	
✓		5 Sales Brochures and Other Descriptive Information	0	
✓		6 Recent Appraisals	0	
✓		7 Historical Monthly financials including income statements, balance sheets, and cash flow statements for last fiscal year and through year to date	0	
✓		8 Current Borrowing Base Certificate if available (other bank)	0	
✓		9 Any other collateral monitoring reports company provides current lender	0	
✓		10 Inventory perpetual by location and class (R.M., W.I.P. and F.G.) as of most recent months end	0	
✓		11 Any Prior/Current appraisals of M&E and R/E (FIRREA basis appraisals, if available)	0	
✓		12 Fixed asset ledger for current year, including Orig. Costs, Gross Dep., Dep. Carrying Value, and Date of Acquisition	0	
✓		13 Strategic Plans, Business Plans, Analysis of Acquisition	U	
✓		14 Historical Capital expenditures and Depreciation	U	
✓		15 Market share and rank	U	
✓		16 Sales and Gross Margin by Product Line	U	
✓		17 List of competition	U	
✓		18 Copies of product warranties	U	
✓		19 Major or Government Contracts	U	
✓		20 Environmental Audits	U	
✓		21 Description of capitalization policy	U	
✓		22 Listing of all Material Real Estate and Asset Holdings by Legal Entity Including: Owned w/ Appraisals or Leased w/ Terms, location, Brief Description, Detail on Retail Facilities and Distribution Centers	U	
✓		23 Significant Long Term Leases	U	
✓		24 3 - 5 years(minimum of 3 years and through last recession if cyclical business and cash flow deals) historical audited financials (by Subsidiary or Division)(include annual reports if applicable)	U	
✓		25 Projected monthly (not needed for cash flow transactions unless business is seasonal) and annual financials including income statements, balance sheets, and cash flow statements for the term of the contemplated facility	U	
✓		26 Current Interim Financial vs. Last Year Interim	U	
✓		27 Audit Report (Including following:)	A	
✓		Audit Date, FYE, & Prior Audit Date	A	
✓		Sales by Customer Summary	A	
✓		Summary of Notes Receivable	A	
✓		Summary of Customers With Extended Terms	A	
✓		Summary of O/S Letters of Credit	A	
✓		Summary of Insurance Policies	A	
✓		Summary of Significant Leases	A	
✓		Summary of Purchases by Vendor	A	
✓		Client Prepared Report (Inv > 12 months sales/usage	A	
✓		Summary (Inv. values by location)	A	
✓		Summary (Inv. values by product line/class)	A	
✓		Summary of Cash Management system (Inc. bank sorts/numbers)	A	
✓		Top ten largest customers by sales volume for last 12 months	A	
✓		3 - 5 years of historical bad debt write-offs	A	
✓		Dilution calculation for Last 2 years	A	
✓		Copies of product warranties	A	
✓		Major or Government Contracts	A	
✓		Environmental Audits	A	
✓		Description of capitalization policy	A	
✓		Significant Long Term Leases	A	
✓		28 Most recent A/R aging (On Disk)	A	
✓		29 Inventory perpetual by location and class (R.M., WIP, and F.G.) as of most recent month end (On Disk)	A	
✓		30 Management letters prepared by the auditors for the last two years	A	
✓		31 Tax Returns for the last one to three years	A	
✓		32 year 2000 checklist (to be completed by client at the commencement of the audit	A	

FIG. 5

6/7

Legal Documentation File
 Table of Contents

File folder:					Provider	Received	
Credit	Legal					Yes	N/A
	✓	33	Intercreditor and Subordinate Agreement		U		
	✓	34	Existing Litigation		U		
	✓	35	Outstanding Warranties and Guarantees		U		
	✓	36	Commitments and Understandings - Written and Oral		U		
	✓	37	Supply Agreements and Trust Agreements		U		
	✓	38	Non-Competition Agreements and Agreements restricting any of the Co's		U		
	✓	39	Licence / Franchise agreements relating to Trademarks, Trade names, Copyrights, Patents, Technology, etc		U		
	✓	40	Material Permits, Licences, Consents, and Authorizations required to conduct the business		U		
	✓	41	Amounts/Costs of Regulatory Issues		U		
	✓	42	Agreements (Intercreditor and Mortgages) relating to Liens, Security interests, or Encumbrances to any assets		U		
	✓	43	All Employees, Consulting, Deferred Compensation, Bonus, Severance, Profit Sharing, Stock options or Similar Plans or Agreements Affecting any Employee (see Bus D.D.)		U		
	✓	44	All Contracts Not in the Ordinary Course of Business		U		
	✓	45	All Agreements with any Member of Senior Management (see Bus D.D. - Management)		U		
	✓	46	All Benefit Plans and all Amendments thereto		U		
	✓	47	All Material Communications to or from the IRS, the Dept. of Labor or the Pension Benefit Quarterly Corp. relating to any benefit year		U		
	✓	48	Tax Liabilities		U		
	✓	49	Commitment Letter Detailing Terms, size, etc		U		
	✓	50	Results of "Loan Documentation Questionnaire"		U		

120

FIG. 6

7/7

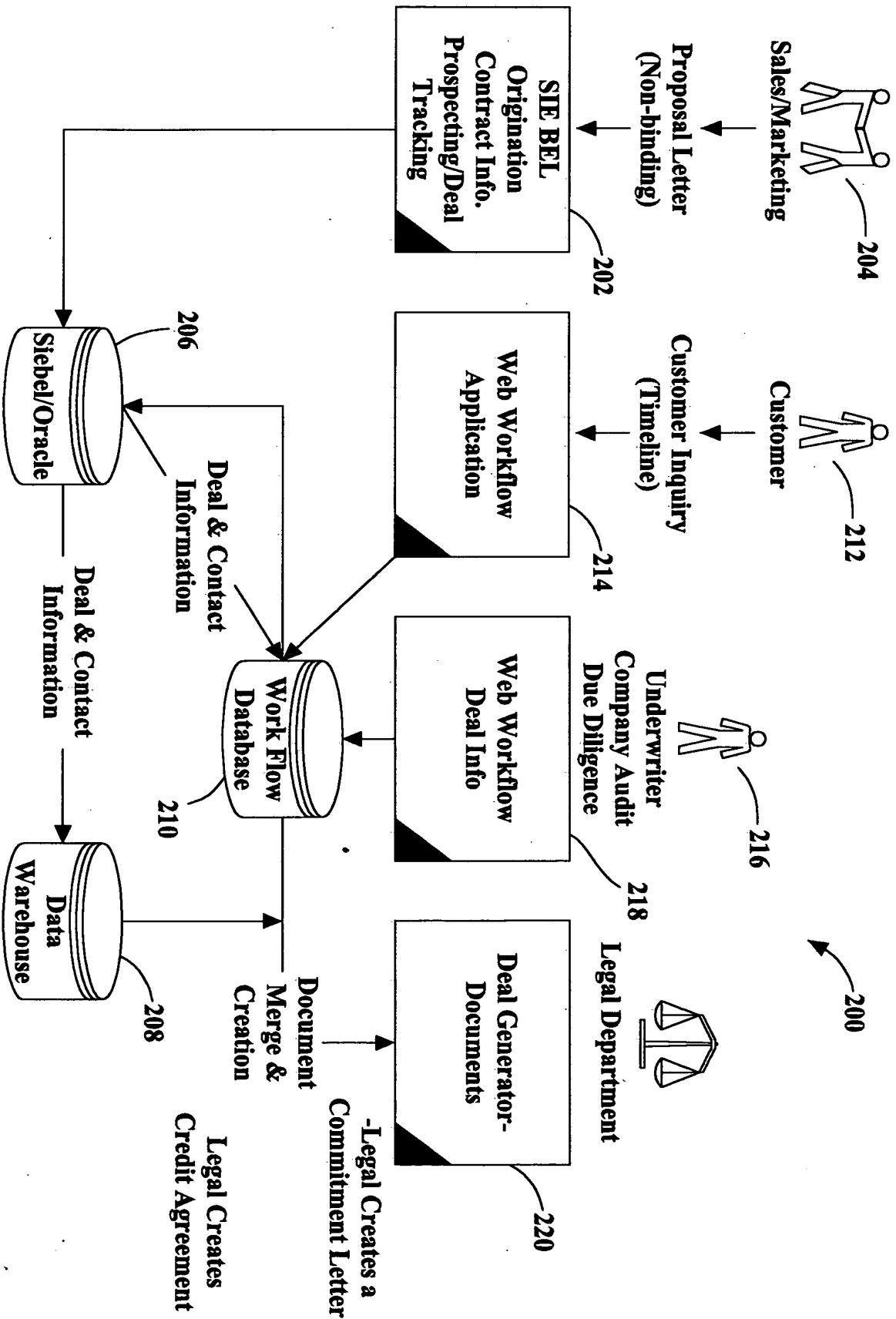


FIG. 7